

## **DISTRIBUTIONS**

The Distributions category consists of appropriations distributed through statutory formulas to local units of government.

The sources of these funds are state sales taxes, state income taxes, state alcoholic beverage taxes, state cigarette taxes, and state gaming taxes. These revenues, collected by the state, result from state taxing authority. Other tax revenues, such as food and beverage taxes, local option income taxes, and wheel taxes, are also collected by agencies of state government and distributed to local units. Those revenues, however, result from local taxing decisions.

Under HEA 1001-2002(ss), this proposed budget includes an additional \$1.1 billion for school general fund property tax relief in the first year and an additional increase of \$37 million in the second year. This represents approximately 67 percent of the general operating levy for schools and brings the state's share of the cost to operate schools to approximately 85 percent.

HEA 1001-2002(ss) requires that 75% of state riverboat wagering tax revenues be deposited in the Property Tax Replacement Fund. Of that amount, \$147.5 million is to be transferred to the Lottery and Gaming Surplus Account for distribution to local units of government in the form of motor vehicle excise tax replacement. An additional \$48.0 million is to be distributed to local units of government that experience decreased revenues from state riverboat admissions taxes as a result of the implementation of flexible scheduling by the riverboats.